

**EXHIBIT B – Part 1**  
TO JOINT STATEMENT OF  
UNDISPUTED FACTS

## COMMERCIAL INSURANCE POLICY



**united  
national  
group®**

### ADMINISTRATIVE OFFICES

THREE BALA PLAZA EAST, BALA CYNWYD, PA 19004  
610-664-1500



# UNITED NATIONAL INSURANCE COMPANY

A Stock Company  
BALA CYNWYD, PENNSYLVANIA

## COMMERCIAL INSURANCE POLICY COMMON POLICY DECLARATIONS

Policy Number: AH-0000267 Renewal of: NEW

Named Insured: Cirrus Medical Staffing, LLC

Mailing Address: 4651 Charlotte Park Dr.  
Street: Ste. 400

City: Charlotte  
State & Zip Code: NC 28217

Producer Name: HEALTH CARE INSURERS  
Address: A DIVISION OF RPS, INC.  
7011 CAMPUS DRIVE  
SUITE 200  
COLORADO SPRINGS CO 80920  
Producer Number: 01322

Policy Period: From: January 27, 2006 To: January 27, 2007  
at 12:01 A.M. Standard Time at the mailing address shown above.

Business Description: Temporary Staffing

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE. AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Professional Liability Coverage Part	\$ 106,141.00
Commercial General Liability Coverage Part	\$ 19,935.00
	\$
Total Premium	\$ 126,076.00
Surplus Lines Tax	\$
Stamp Fee	\$
TOTAL	\$ 126,076.00

Premium shown is payable: \$126,076 at inception; 1st Anniversary; 2nd Anniversary

Form(s) and Endorsement(s) made a part of this policy at time of issue:

SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100

By: \_\_\_\_\_  
Countersigned

03/28/06  
DPA-113 (2/2000)

INSURED

UNIC0523

Cirrus Medical Staffing, LLC

AH-0000267

**SCHEDULE OF POLICY FORMS AND ENDORSEMENTS**

Form(s) and Endorsement(s) made a part of this policy at time of issue.

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
<b>COMMON</b>		
IL0017	1198	COMMON POLICY CONDITIONS
EPA469	0804	AMENDMENT - LIMITS OF INSURANCE
SC1	0298	MINIMUM EARNED PREMIUM
EXA255	0201	INDOOR AIR QUALITY EXCLUSION
EAA182	1103	ELECTRONIC DATA & CYBER RISK EXCL
SC9	0298	SERVICE OF SUIT - STATE APPLIC
EAA100	0504	IN WITNESS CLAUSE
<b>ALLIED HEALTH PROFESSIONAL LIABILITY</b>		
DPA127	0804	PROFESSIONAL LIABILITY DECLARATIONS
CPA119	0205	PROFESSIONAL LIABILITY COV FORM - CM
PC419	0498	CLAIMS MADE DISCLOSURE FORM
EPA901	0505	CLAIMS AGAINST CERTAIN INSURED EXCL
EPA903	0505	HOME HEALTHCARE AGENCY ENDT
EPA905	0505	MEDICAL PROFESSIONAL EXCL AMENDMENT
EPA909	0505	WRONGFUL ACTS DEFINITION AMENDMENT
EPA904	0505	LTD COV FOR CLAIMS INV SEXUAL/PHYSICAL ABUS
EPA471	0804	DEDUCTIBLE ENDORSEMENT
EPA484	0804	ADDITIONAL INSURED - ENDORSEMENT
SPA108	0804	SCHEDULE OF LOCATIONS
EPA907	0505	NAMED INSURED ENDORSEMENT
<b>COMMERCIAL GENERAL LIABILITY</b>		
CL150	0995	CGL COVERAGE PART DECLARATIONS
CG0001	1001	CGL COVERAGE FORM
SL1	0298	MULTI EXCL ENDT - LIABILITY
SL3	0298	WATER DAMAGE LIAB EXCL
SL9	0298	EXCLUSION - ABUSE OR MOLESTATION
SL31	0298	EXCL - LEAD LIABILITY
CG2147	1093	EMPLOYMENT RELATED PRACTICE EXCL
CG2244	0798	EXCL HEALTH / COSMETIC SVCS
CG2252	1093	EXCL MEDICAL PAYMENTS COV (INMATES, PATIENT
EAA156	1102	TERRORISM COV/CURRENTLY EXCL
IL0985	0103	DISCLOSURE TERROR RISK INSURANCE
EAA147	1201	WAR EXCLUSION
CG0300	0196	DEDUCTIBLE LIABILITY INSURANCE
CG0435	0202	EMPLOYEE BENEFITS LIAB COV
SL12	0297	ADDL INSURED ENDT
CG0440	1103	ND - STOP GAP
CG0441	1204	OH - STOP GAP
CG0442	1103	WA - STOP GAP
CG0443	1204	WV - STOP GAP

IL 00 17 11 98

**COMMON POLICY CONDITIONS**

All Coverage Parts included in this policy are subject to the following conditions.

**A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**B. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**C. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

**D. Inspections And Surveys**

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

**E. Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

**F. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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GU 519 (11-98)  
Page 1 of 1

UNIC0525

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

**This endorsement, effective on** January 27, 2006 **at** 12:01 A.M. standard time, forms a part of

**Policy No.:** AH-0000267

**Issued To:** Cirrus Medical Staffing, LLC

**By:** UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT - LIMITS OF INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

Notwithstanding any provision of the policy to which this endorsement is attached, or any other endorsement thereto, the provisions of this policy entitled "Limits of Insurance" are deleted and replaced by the following:

**Limits of Insurance**

The Limits of Insurance shown in the Schedule below and the rules below, fix the most we will pay under the policy of which this endorsement is a part. These limits will apply unless a lower Limit of Insurance is shown in the Declarations for an applicable coverage. If a lower Limit of Insurance is shown in the Declarations of this policy for a specific coverage, that limit will not be increased by the provisions of this endorsement. Regardless of the number of (1) insureds under this policy, (2) persons or organizations that sustain injury or damage to which this policy applies, (3) "wrongful acts", "occurrences", claims made or "suits" brought on account of injury or damage to which this policy applies, or (4) Coverage Parts that may be applicable to any claim or "suit", our liability is limited as follows:

1. The **General Aggregate Limit** shown in the Schedule below is the most we will pay for all damages under all coverages provided by this policy.
2. Subject to paragraph 1. above, the **General Per Occurrence Limit** shown in the Schedule below is the most we will pay for all damages to which this policy applies as a result of any one "occurrence".
3. For the purpose of determining our limit of insurance, all injury arising out of continuous or repeated exposure to substantially the same general conditions including all interrelated "wrongful acts" will be considered as arising out of one "occurrence".

This limits of insurance of this policy apply to the policy period shown in the Declarations and to any period of time to which the expiration is extended after issuance of the policy.

#### SCHEDULE

##### General Aggregate Limit of Insurance

The General Aggregate Limit is the Professional Liability Aggregate Limit unless otherwise indicated below.

Limit of Insurance \$ 5,000,000 General Aggregate

##### General Per Occurrence Limit of Insurance

The General Per Occurrence Limit of Insurance is the Professional Liability Each Claim Limit unless otherwise indicated below.

Limit of Insurance \$ 3,000,000 Per Occurrence

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective January 27, 2006 at 12:01 a.m. standard time, forms a part of

Policy #: AH-0000267

Issued to: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

### MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:  
ALL COVERAGE PARTS INCLUDED IN THIS POLICY

This policy is subject to a minimum earned premium.

If this policy is canceled at your request, you agree with us:

1. that the minimum earned premium for this policy is the greater of  
\$31,519 or 25% of the Total Premium;
2. that such minimum earned premium is not subject to short rate or pro-rate adjustment;  
and
3. that cancellation for non-payment of premium, after the effective date of the policy, will  
be deemed a request by you for cancellation of this policy and will activate this  
minimum earned premium provision.

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Countersignature



(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **INDOOR AIR QUALITY EXCLUSION**

This insurance does not apply to:

1. Injury or damage arising out of, resulting from, caused or contributed to by mold, mildew and/or other conditions affecting indoor air quality.
2. The cost of abatement, mitigation, removal or disposal of mold, mildew and/or other conditions affecting indoor air quality.

This exclusion also includes:

- a. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

EXA-255 (2/2001)

UNIC0529

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

**This endorsement, effective** January 27, 2006 **at 12:01 A.M. standard time, forms a part of**

**Policy No.:** AH-0000267

**Issued To:** Cirrus Medical Staffing, LLC

**By:** UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **ELECTRONIC DATA AND CYBER RISK EXCLUSION**

We will not pay for injury or damage, directly or indirectly arising out of, caused by, contributed to by or resulting from any:

1. Functioning, nonfunctioning, malfunctioning, availability or nonavailability of:
  - a. the internet or similar facility; or
  - b. any intranet or private network or similar facility; or
  - c. any website, bulletin board, chat room, search engine, portal or similar third part application service.
2. Alteration, corruption, destruction, distortion, erasure, theft or other loss of or damage to data, software, information repository, microchip, integrated system or similar device in any computer equipment or non-computer equipment or any kind of programming or instruction set;
3. Loss of use or functionality, whether partial or entire, of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic and any ensuing inability or failure of the insured to conduct business;

This exclusion supplements any exclusion elsewhere in the policy.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective January 27, 2006 at 12:01 a.m. standard time, forms a part of

Policy #: AH-0000267

Issued to: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

### **SERVICE OF SUIT CLAUSE**

This endorsement modifies insurance provided under the following:  
ALL COVERAGE PARTS IN THIS POLICY

We appoint the highest State official in charge of insurance affairs (Commissioner of Insurance, Director of Insurance, Insurance Commissioner, Executive Secretary, Superintendent of Insurance, or such other official title as designated by the State) of the State of NORTH CAROLINA and his successor or successors in office as his and their duly authorized deputies, as our true and lawful attorney in and for the aforesaid State, upon whom all lawful process may be served in any action, "suit" or proceeding instituted in the said State by or on behalf of any insured or beneficiary against us, arising out of this insurance policy, provided a copy of any process, "suit", complaint or summons is sent by certified or registered mail to Richard S. March, Esq., General Counsel, United National Insurance Company, Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.

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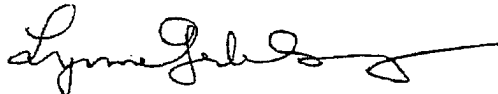
Countersignature

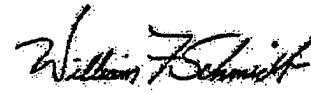
SC-9 (2/98)

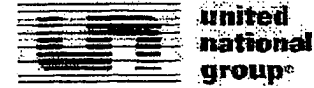
UNIC0531

### In Witness Clause

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

  
Secretary

  
President



UNITED NATIONAL INSURANCE COMPANY  
A Stock Company  
BALA CYNWYD, PENNSYLVANIA

Administrative Offices:  
Three Bala Plaza East, Suite 300  
Bala Cynwyd, PA 19004

### PROFESSIONAL LIABILITY DECLARATIONS

Policy Number: AH-0000267

Renewal of: NEW

Item 1. Named Insured: Cirrus Medical Staffing, LLC

Item 2. Mailing Address: 4651 Charlotte Park Dr.  
Ste. 400

Charlotte

NC 28217

Item 3. Policy Period: From: January 27, 2006 To: January 27, 2007  
(at 12:01 A.M. Standard Time at the address shown in Item 2. above.)

Item 4. Deductible: \$ 5,000 Per Claim  
\$ Aggregate

Item 5. Limit of Insurance: \$ 3,000,000 Per Claim  
\$ 5,000,000 Aggregate

Item 6. Premium: \$ 106,141.00

Item 7. Retroactive Date: June 1, 2002

Item 8. Policy Forms and Endorsements attached at inception:

SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100

Countersigned: \_\_\_\_\_  
Date

By: \_\_\_\_\_  
Authorized Representative

03/28/06

DPA-127 (8/2004)

INSURED

Page 1 of 1

UNIC0533



**PROFESSIONAL LIABILITY COVERAGE FORM  
THIS IS A CLAIMS MADE COVERAGE.  
PLEASE READ THE ENTIRE FORM CAREFULLY.**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us", and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III-WHO IS AN INSURED. Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VII-DEFINITIONS.

**SECTION I - PROFESSIONAL LIABILITY COVERAGE**

**1. Insuring Agreement**

We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" as a result of a "wrongful act". This insurance applies to injury only if a "claim" for damages to which no other insurance applies, because of the injury is first made against the insured and reported to us during the "policy period". This insurance does not apply to injury caused by a "wrongful act" that takes place outside of the "covered territory" or was committed before the Retroactive Date shown in the Declarations or after the "policy period".

- a. A "claim" by a person or organization seeking damages will be deemed to have been made when notice of such "claim" is received and recorded by the insured or by us, whichever ever comes first;
- b. All "claims" arising out of the same "wrongful act" will be considered to have been made at the time the first "claim" is made; and
- c. We will have the right and duty to select counsel and to defend any "suit" seeking damages. However, we will have no duty to defend the insured against any "suit" seeking damages for injury to which this insurance does not apply. But:
  - (1) The amount we will pay for damages is limited as described in SECTION IV-LIMITS OF INSURANCE;
  - (2) We may, at our discretion, investigate any "wrongful act" and settle any "claims" or "suit" that may result; and
  - (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION II - "Claims" Expenses and Defense Costs.

**2. Exclusions**

This insurance does not apply to:

- a. "Bodily injury" to an employee of any insured arising out of and in the course of:
  - (1) employment by any insured; or

- (2) performing to duties related to the conduct of any insured's business.
- b. Any obligation of any insured under any workers' compensation, unemployment compensation or disability benefits law or under any similar law;
- c. Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading and unloading".

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" that caused the injury or damage involved the ownership, maintenance, use or entrustment to other of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

- d. Injury arising out of a criminal act by any insured;
- e. Injury for which any insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to damages that the insured would have in the absence of a contract or agreement;
- f. Any obligation of any insured to pay damages because of fee disputes or similar contractual disputes;
- g. Liability imposed on any insured or any insured's insurer, under Employees' Retirement Income Security Act of 1974 (E.R.I.S.A.), as now or hereafter amended or any similar state or other governmental law;
- h. Any "claim" or "suit" alleging a negligent act, error or omission of an insured or of any other person for whose acts any insured may be legally liable, in the administration of any "employee benefit program".
- i.
  - (1) Injury arising out of, resulting from, caused or contributed to by asbestos or silica; or
  - (2) The cost of abatement, mitigation, removal or disposal of asbestos or silica.

This exclusion also includes:

- (1) Any supervision, instructions, recommendations, warnings or advice given or that should have been given in connection with the above; and
- (2) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.
- j. "Claims" arising out of "wrongful acts" of any medical doctors, chiropractor, optometrist or dentist, unless in the capacity of your medical director or administrator.
- k. Injury or damage arising out of the prescribing of drugs or medical, dental or surgical supplies or appliances by any insured. However, this exclusion does not apply to the dispensing of drugs or medical, dental or surgical supplies or appliances.
- l. "Claims" arising out of professional services provided by any insured who is not properly licensed or certified to provide those services in the jurisdictions in which that insured practices.
- m.
  - (1) Injury or damage which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
  - (2) Any loss, cost or expense arising out of any :

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants"; or
  - (b) "Claim" or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of "pollutants".
- n. Any liability arising out of any nuclear materials or hazardous properties of any nuclear material, nuclear radiation, radioactive contamination or nuclear incident.
- o. Injury or damage arising out of exposure to, inhalation of or ingesting of, lead or any substance containing lead or the residue of lead.
- p. "Claims" arising out of or involving to employ, termination of employment or employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination.
- q. Injury or damage, directly or indirectly, arising out of, caused by, contributed to by or resulting from any:
  - (1) Functioning, nonfunctioning, malfunctioning, availability or nonavailability of:
    - (a) the internet or similar facility; or
    - (b) any intranet or private network or similar facility; or
    - (c) any website, bulletin board, chat room, search engine, portal or similar third party application service.
  - (2) Alteration, corruption, destruction, distortion, erasure, theft or other loss of or damage to data, software, information repository, microchip, integrated system or similar device in any computer equipment or non-computer equipment or any kind of programming or instruction set;
  - (3) Loss of use or functionality, whether partial or entire, of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic and any ensuing inability or failure of the insured to conduct business.
- r. Any "claim" or "suit" (including but not limited to, complaints, cross-claims, counterclaims or third party claims, however named) against any insured, brought by or arising out of any "claims" or "suits" brought by any other insured.
- s. Any "claim", "suit" or "wrongful act" that might result in a "claim" or "suit", of which any insured had knowledge or could have reasonably foreseen, at the signing date of the application for this insurance.

## SECTION II - "Claims" Expenses and Defense Costs

We will pay, with respect to any "claim" or "suit" we defend:

1. All expenses we incur.
2. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit".
3. All costs taxed against the insured in the "suit".

These payments will not reduce our limits of insurance.



### SECTION III - WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are sole owner.
  - b. A partnership or joint venture, you are an insured. Your current and former members, partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. An organization other than a partnership or joint venture. You are an insured. Your current or former Executive Officers and Directors are insureds, but only with respect to their duties as your Officers and Directors.
2. The following are also insureds:
  - a. Your medical directors and administrators, but only while acting within the scope of their duties as such on your behalf and excluding "wrongful acts" while performing professional services as medical doctors, chiropractors, optometrists or dentists.
  - b. Your current and former employees and volunteers, whether salaried or contracted, other than medical doctors, chiropractors, optometrists and dentists, are insureds while acting within the scope of their duties on your behalf.

Your current or former stockholders are also insureds, but only with respect to their liability as stockholders.

### SECTION IV - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay under this Coverage Part regardless of the number of:
  - a. Insureds under this policy;
  - b. "Claims" made or "suits" brought alleging "wrongful acts" to which this insurance applies; or
  - c. Persons or organizations sustaining injury or damages to which this insurance applies.
2. Our liability under this Coverage Part is limited as follows:
  - a. The total amount we will pay for all damages because of injury arising out of all "wrongful acts" to which this Coverage Part applies will not exceed the limit of insurance stated in the Declarations as Aggregate.
  - b. Subject to paragraph a. above, the most we will pay for all damages because of injury arising out of any one "wrongful act" to which this Coverage Part applies will not exceed the limit of insurance stated in the Declarations or by endorsement, as applicable to each "claim". "Claims" based on or arising out of the same or interrelated "wrongful acts" of one or more insured will be considered as arising out of one "wrongful act".

The limits of insurance of this policy apply to the "policy period" shown in the Declarations and to any period of time to which the expiration is extended after issuance of the policy.

### SECTION V - PROFESSIONAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

**2. Duties In The Event Of A "Wrongful Act", "Claim" or "Suit"**

- a. You must see to it that we are notified as soon as practicable of a "wrongful act" that may result in a "claim". To the extent possible, notice must include:
- (1) How, when and where the "wrongful act" took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "wrongful act".
- Notice to us of a "wrongful act" is notice of a "claim".
- b. If a "claim" is received by any insured, you must:
- (1) Immediately record the specifics of the "claim" and the date received; and
  - (2) Notify us in writing as soon as practicable, but within the "policy period" or any applicable Extended Reporting Period.
- c. You and any other involved Insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with a "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the "claim" or "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

**3. Legal Action Against Us**

No person or organization has a right under this Coverage Part to :

- a. Join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. Sue us on this Coverage Part unless all of its terms have been fully complied with.

A persons or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant's legal representative.

**4. Other Insurance**

If other valid and collectible insurance with any other insurer is available to the insured covering a "claim" also covered hereunder (except insurance purchased to apply in excess of the limit of liability hereunder), this insurance will be excess of, and not contribute with, such insurance. If the insured has other coverage with us covering a "claim" also covered by this policy or Coverage Part, the insured must elect which policy or Coverage Part will apply and we will be liable under the Coverage Part so elected and will not be liable under any other policy or Coverage Part.

5. **Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations and application, made part of this policy, are accurate and complete;
- b. Those statements are based upon representations you made to us;
- c. We have issued this policy in reliance upon your representations; and
- d. This policy embodies all of the agreements existing between you and us or any of our agents relating to this insurance.

6. **Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

7. **Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after the loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

8. **Your Right To "Claim" And "Wrongful Act" Information**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding professional liability claims-made Coverage Part we have issued to you during the previous three years.

- a. A list or other record of each "wrongful act", not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of this Section. We will include the date and a brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary by "policy period" of payments made and amounts reserved. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the "policy period". In this case, we will provide this information within 45 days of receipt of the request. We compile "claim" and "wrongful act" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of the insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

**SECTION VI - DEFINITIONS**

1. **"Administration" includes:**

- a. Giving counsel to an employee with respect to any "employee benefit program";
- b. Interpretation of an "employee benefit program";

- c. Handling of records in connection with an "employee benefit program"; and
  - d. Effecting enrollment of employees under an "employee benefit program".
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.
  3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
  4. "Claim" means a written demand upon the insured for "compensatory damages", including, but not limited to, the service of "suit" or institution of arbitration proceedings against the insured. "Claim" includes reports of accidents, acts, errors, occurrences, offenses or omissions which may give rise to a "claim" under this policy. "Claims" based on or arising out of the same act or interrelated acts of one or more insured will be considered to be based on a single "wrongful act".
  5. "Compensatory damages" do not include damages imposed upon the insured as punitive or exemplary damages for wanton, willful, outrageous, malicious or reckless conduct or for gross negligence.
  6. "Coverage territory" means anywhere in the world, so long as the original "suit" for such "compensatory damages" is brought in the United States, its territories or possessions, Puerto Rico or Canada.
  7. "Employee benefit program" means any group life insurance, group accident or health insurance, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, Social Security and disability benefits or other similar benefits program for you employees.
  8. "Loading or unloading" means the handling of persons or property:
    - a. After being moved from the place where accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While in or on an aircraft, watercraft or "auto"; or
    - c. While being moved from an aircraft, watercraft or "auto" to the place of final delivery.
  9. "Policy period" means the period shown in Item 3. of the Declarations or as amended by cancellation or other earlier termination.
  10. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  11. "Suit" means a civil proceeding in which damages for injury to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
  12. "Wrongful act" means any act, error or omission in the furnishing of professional social services. It includes the furnishing of food, beverages, medications or appliances in connection with those services. All "wrongful acts" committed in the furnishing of professional social services to any one person will be considered one "wrongful act". All interrelated "wrongful acts" of one or more insured will be considered one "wrongful act".

#### SECTION VII - EXTENDED REPORTING PERIOD

1. If this insurance is cancelled or not renewed for reasons other than the Named Insured's nonpayment of premium; or
2. If we renew or replace this insurance with insurance that:
  - a. Has a Retroactive Date later than the date shown in the Declarations; or

- b. Does not apply to "wrongful acts" on a claims made basis.

then in such event:

- (1) This insurance applies to "claims" first made against the insured in writing during the "policy period" and reported to us within sixty days after the date of cancellation or expiration of the policy. The insurance afforded by this Basic Extended reporting Period provision applies only if the "wrongful act" giving rise to the "claim" occurred after the Retroactive Date shown in the Declarations and prior to the effective date of cancellation or the expiration date. If the Named Insured purchase a Supplemental Extended Reporting Period as provided below, this Basic Extended Reporting Period provision will not apply.
- (2) The insured may purchase a single Supplemental Extended Reporting Period of twelve, twenty-four or thirty-six months, or longer if it is eligible. Payment of an additional premium charge of not more than 150 percent of the premium in effect at the termination of the policy, will be charged for Supplemental Extended Reporting Period purchased.
- (3) To purchase a Supplemental Extended Reporting Period the Named Insured must give us a written request for a Supplemental Extended Reporting Period. Such request must be received by us or our agent within thirty days of the termination of the policy. The request must specify the length of the Supplemental Extended Reporting Period sought. The proper premium amount due must be submitted with the request.
- (4) If the Named Insured purchases a Supplemental Extended Reporting Period, then any "claim" first made in writing against the insured and reported to us during the Supplemental Extended Reporting Period, that is otherwise covered by this insurance, will be deemed to have been made on the last day of the "policy period". Such insurance as is afforded by this provision applies only if the "wrongful act" giving rise to the "claim" occurred after the Retroactive Date shown in the Declarations and before the effective date of cancellation or the expiration date.
- (5) Our total liability under this policy, including the Basic Extended Reporting Period or the Supplemental Extended Reporting Period will not exceed the limit of insurance stated in the Declarations as General Aggregate.

### **Claims Made Disclosure Form**

#### **Important Notice To Policyholders**

THIS DISCLOSURE FORM IS NOT YOUR POLICY, IT MERELY DESCRIBES, IN SUMMARY FASHION, SOME OF THE MAJOR FEATURES OF A CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

- A. This policy provides a specific type of liability insurance protecting the policyholder under certain circumstances. Please review it with your broker/consultant if you have a question regarding its limitations, exclusions, and conditions.
- B. Parts of this policy may be on a Claims-Made basis. It applies only to injury or damage that occurs after the retroactive date and before the end of the policy period. It applies only to claims first made against the insured after the inception date and before the end of the policy period.
- C. Coverage is provided for liability if the claim for damages is FIRST MADE during the policy period for an event which occurred after the retroactive date and prior to the expiration date of the policy or extended reporting period. The reporting of incidents and/or claims is very specific and must be done within a specific time frame as specified within the policy. It is important for you to review this section of the policy.
- D. Review the renewal provision in your policy. Prior to the expiration of its policy period, you may be offered terms for its renewal. The premiums, terms and conditions will be based upon a number of factors, including the renewal underwriting information you provided, your claims experience and that of similar risks, court decisions and legislative enactments. Also review the policy provision regarding purchase of extended reporting period coverage. This will increase the time within which a claims against you will be eligible for the policy's coverage. If your policy is not renewed, you have some options:
  - 1. Your new insurance carrier may be willing to provide prior acts coverage back to the retroactive date of this policy; or
  - 2. If option 1 cannot be exercised, you may be able to purchase for an additional premium an extended reporting period which will increase the time within which a claim may be eligible for coverage; or
  - 3. If neither option 1 or 2 are available, no claim reported following the expiration date of the policy will be covered.
- E. Claims Expenses and Defense Expenses are limited to the amount shown in the Declarations and/or by endorsement.

PC-419(4/98)

UNIC0542

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

**This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of**

**Policy No.: AH-0000267**

**Issued To:** Cirrus Medical Staffing, LLC

**By:** UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CLAIMS AGAINST CERTAIN INSURED'S EXCLUSION**

This endorsement modifies insurance provided under the following:

**PROFESSIONAL LIABILITY COVERAGE PART**

This insurance does not apply to "claims" for which an insured may be held liable in the capacity of:

1. proprietor, partner, manager, superintendent or officer of any hospital, sanitarium, nursing home, medical clinic, managed care facility of health maintenance organization;
2. member, partner, officer, director or stockholder of any professional partnership, association or corporation, other than the Named Insured.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

**This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of**

**Policy No.: AH-0000267**

**Issued To: Cirrus Medical Staffing, LLC**

**By: UNITED NATIONAL INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**HOME HEALTHCARE AGENCY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PROFESSIONAL LIABILITY COVERAGE PART**

This insurance does not apply to "claims" arising out of "wrongful acts":

1. of an insured as a member of a formal accreditation or similar professional board or committee;
2. on premises owned by or rented to any insured.



(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MEDICAL PROFESSIONAL EXCLUSION AMENDMENT**

This endorsement modifies insurance provided under the following:

**PROFESSIONAL LIABILITY COVERAGE PART**

Subparagraph j. of 2. Exclusions of SECTION I - PROFESSIONAL LIABILITY is deleted and replaced by the following:

This insurance does not apply to:

- j. "Claims" arising out of "wrongful acts" of any medical doctor, chiropractor, optometrist, dentist, surgeon's assistant, physician's assistant, nurse midwife, nurse practitioner, nurse anesthetist or emergency technician, unless in the capacity of your medical director or administrator.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

**This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of**

**Policy No.: AH-0000267**

**Issued To: Cirrus Medical Staffing, LLC**

**By: UNITED NATIONAL INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WRONGFUL ACTS DEFINITION AMENDMENT**

This endorsement modifies insurance provided under the following:

**PROFESSIONAL LIABILITY COVERAGE PART**

Paragraph 12. of SECTION VI. - DEFINITIONS is deleted and replaced by the following:

**12. "Wrongful act" means:**

- a. any act or omission in the furnishing of healthcare services to a patient or client including the furnishing of food, beverages, medications, medical treatment or appliances in connection with such services and the postmortem handling of human bodies.
- b. All "wrongful acts" committed in the furnishing of services to any one patient or client will be considered one "wrongful act". All interrelated "wrongful acts" of one or more insured will be considered one "wrongful act".

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED COVERAGE FOR CLAIMS INVOLVING SEXUAL OR PHYSICAL ABUSE

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART

SCHEDULE

Aggregate Sublimit of Insurance	\$ <u>300,000</u>
Each Claim Sublimit of Insurance	\$ <u>100,000</u>

A. Subject to the Limit of Insurance for the Coverage Part and any other applicable limits in the policy, the Aggregate Sublimit of Insurance is the most we will pay for all damages because of injury or damage arising out of:

1. The actual or threatened:

- a. physical abuse, whether or not sexual in nature; or
- b. sexual abuse or molestation or licentious, immoral or sexual behavior intended to lead on, or culminating in any sexual act,

by any insured.

2. The failure of any insured or anyone else for whom the insured is legally responsible, to prevent or suppress any such actual or threatened behavior; or

3. The negligent:

- a. employment;
- b. investigation;
- c. supervision;

d. reporting to the proper authorities or failure to so report; or

e. retention;

of a person whose conduct is described in subparagraph 1. above.

B. Subject to A. above, the Each Claim Sublimit of Insurance is the most we will pay for all damages because of injury or damage arising out of each "wrongful act" as described in A. above.

C. The limits shown in this endorsement are part of, not in addition to, the limits shown elsewhere in the policy.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DEDUCTIBLE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PROFESSIONAL LIABILITY COVERAGE PART**

**SCHEDULE**

**Amount of Deductible**

\$ 5,000  
\$

**Basis**

Each Claim  
Aggregate

1. Our obligation to pay damages on your behalf applies only to the amount of expenses, defense costs and/or damages in excess of any deductible amount stated in the Schedule above.
2. We may pay any part or all of the deductible and upon notification of the action taken, you will reimburse us within ten days for such part of the deductible amount as has been paid by us.
3. The request for payment referred to above will be in writing and mailed to the insured by ordinary mail addressed to the insured at the address listed in the policy or in any change of address endorsement to the policy.
4. The ten day period referred to above will begin to run from the date of the postmark of the letter containing the request for payment, and in such calculation of ten days, Saturdays, Sundays and legal holidays will be included unless the tenth day falls on such a day, in which case the period will be extended to the next business day.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

WHO IS AN INSURED is amended to include the person or organization shown in the Schedule below, but only as respects liability imposed or sought to be imposed on such additional insured because of an alleged act or omission of the Named Insured.

1. If liability for injury or damage is imposed or sought to be imposed on the additional insured because of:
  - a. its own acts or omissions, this insurance does not apply;
  - b. its acts or omissions and those of the Named Insured, as to defense of the additional insured, this insurance will act as coinsurance with any other insurance available to the additional insured, in proportion to the limits of liability of all involved policies, and the Other Insurance provisions of this policy are amended accordingly. However, this insurance does not apply to indemnity of the additional insured for its own acts or omissions.
2. If an agreement between the Named Insured and the additional insured providing indemnity or contribution in favor of the additional insured exists or is alleged to exist, the extent and scope of coverage under this insurance for the additional insured will be no greater than the extent and scope of indemnification of the additional insured which was agreed to by the named insured.
3. The naming of an additional insured will not increase our limit of liability.

**SCHEDULE**

Name of Person or Organization (Additional Insured)	Premium
Intellistaff Healthcare, Inc.	
FocusOne Solutions, LLC	
Nursefinders, Inc.	

Policy Change No. 3

**ENDORSEMENT**

This endorsement, effective March 17, 2006 at 12:01 a.m. standard time, forms a part of

Policy # : AH-0000267

Issued to : Cirrus Medical Staffing, LLC

By : UNITED NATIONAL INSURANCE COMPANY

**POLICY CHANGE ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Form SL12 (02/97) Additional Insured Endorsement is added to the policy with regards to Parkway Properties, Inc.

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Countersignature

SC-16 (2/98)

UNIC0551

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective March 17, 2006 at 12:01 a.m. standard time, forms a part of

Policy #: AH-0000267

Issued to: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

### ADDITIONAL INSURED - ENDORSEMENT

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED (SECTION II) is amended to include the person or organization shown in the Schedule below, but only as respects liability imposed or sought to be imposed on such additional insured because of an alleged act or omission of the named insured.

1. If liability for injury or damage is imposed or sought to be imposed on the additional insured because of:
  - a. Its own acts or omissions, this insurance does not apply;
  - b. Its acts or omissions and those of the named insured, as to defense of the additional insured, this insurance will act as coinsurance with any other insurance available to the additional insured, in proportion to the limits of liability of all involved policies, and the Other Insurance provisions of this policy (SECTION IV - CONDITIONS) are amended accordingly. However, this insurance does not apply to indemnity of the additional insured for its own acts or omissions.
2. If an agreement between the named insured and the additional insured providing indemnity or contribution in favor of the additional insured exists or is alleged to exist, the extent and scope of coverage under this insurance for the additional insured will be no greater than the extent and scope of indemnification of the additional insured which was agreed to by the named insured.
3. The naming of an additional insured will not increase our limit of liability.

#### SCHEDULE

Name of Person or Organization (Additional Insured)

Premium

Parkway Properties, Inc.

\$

4601 Charlotte Park Dr., 130

Charlotte, NC 28217

\_\_\_\_\_  
Countersignature

SL-12 (2/97)

UNIC0552



Policy Change No. 2

**ENDORSEMENT**

This endorsement, effective February 8, 2006 at 12:01 a.m. standard time, forms a part of

Policy # : AH-0000267

Issued to : Cirrus Medical Staffing, LLC

By : UNITED NATIONAL INSURANCE COMPANY

**POLICY CHANGE ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Forms EPA484 (08/04) Additional Insured Endorsement and SL12 (02/97) Additional Insured Endorsement are added to the policy with regards to University of Maryland.

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Countersignature

SC-16 (2/98)

UNIC0553

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 8, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

WHO IS AN INSURED is amended to include the person or organization shown in the Schedule below, but only as respects liability imposed or sought to be imposed on such additional insured because of an alleged act or omission of the Named Insured.

1. If liability for injury or damage is imposed or sought to be imposed on the additional insured because of:
  - a. its own acts or omissions, this insurance does not apply;
  - b. its acts or omissions and those of the Named Insured, as to defense of the additional insured, this insurance will act as coinsurance with any other insurance available to the additional insured, in proportion to the limits of liability of all involved policies, and the Other Insurance provisions of this policy are amended accordingly. However, this insurance does not apply to indemnity of the additional insured for its own acts or omissions.
2. If an agreement between the Named Insured and the additional insured providing indemnity or contribution in favor of the additional insured exists or is alleged to exist, the extent and scope of coverage under this insurance for the additional insured will be no greater than the extent and scope of indemnification of the additional insured which was agreed to by the named insured.
3. The naming of an additional insured will not increase our limit of liability.

**SCHEDULE**

Name of Person or Organization (Additional Insured)	Premium
University of Maryland 22 Greene St. Baltimore, MD 21201-1544	

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective February 8, 2006 at 12:01 a.m. standard time, forms a part of

Policy #: AH-0000267

Issued to: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

### **ADDITIONAL INSURED - ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED (SECTION II) is amended to include the person or organization shown in the Schedule below, but only as respects liability imposed or sought to be imposed on such additional insured because of an alleged act or omission of the named insured.

1. If liability for injury or damage is imposed or sought to be imposed on the additional insured because of:
  - a. Its own acts or omissions, this insurance does not apply;
  - b. Its acts or omissions and those of the named insured, as to defense of the additional insured, this insurance will act as coinsurance with any other insurance available to the additional insured, in proportion to the limits of liability of all involved policies, and the Other Insurance provisions of this policy (SECTION IV - CONDITIONS) are amended accordingly. However, this insurance does not apply to indemnity of the additional insured for its own acts or omissions.
2. If an agreement between the named insured and the additional insured providing indemnity or contribution in favor of the additional insured exists or is alleged to exist, the extent and scope of coverage under this insurance for the additional insured will be no greater than the extent and scope of indemnification of the additional insured which was agreed to by the named insured.
3. The naming of an additional insured will not increase our limit of liability.

#### **SCHEDULE**

Name of Person or Organization (Additional Insured)

Premium

University of Maryland

\$

22 Greene St.

Baltimore, MD 21201-1544

\_\_\_\_\_  
Countersignature

SL-12 (2/97)

UNIC0555

Policy Change No. 1

**ENDORSEMENT**

This endorsement, effective February 8, 2006 at 12:01 a.m. standard time, forms a part of

Policy # : AH-0000267

Issued to : Cirrus Medical Staffing, LLC

By : UNITED NATIONAL INSURANCE COMPANY

**POLICY CHANGE ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Forms EPA484 (08/04) Additional Insured Endorsement and SL12 (02/97) Additional Insured Endorsement are added to the policy with regards to Interim SiteSolutions.

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Countersignature

SC-16 (2/98)

UNIC0556

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 8, 2006 at 12:01 A.M. standard time, forms a part of

Policy No.: AH-0000267

Issued To: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

WHO IS AN INSURED is amended to include the person or organization shown in the Schedule below, but only as respects liability imposed or sought to be imposed on such additional insured because of an alleged act or omission of the Named Insured.

1. If liability for injury or damage is imposed or sought to be imposed on the additional insured because of:
  - a. its own acts or omissions, this insurance does not apply;
  - b. its acts or omissions and those of the Named Insured, as to defense of the additional insured, this insurance will act as coinsurance with any other insurance available to the additional insured, in proportion to the limits of liability of all involved policies, and the Other Insurance provisions of this policy are amended accordingly. However, this insurance does not apply to indemnity of the additional insured for its own acts or omissions.
2. If an agreement between the Named Insured and the additional insured providing indemnity or contribution in favor of the additional insured exists or is alleged to exist, the extent and scope of coverage under this insurance for the additional insured will be no greater than the extent and scope of indemnification of the additional insured which was agreed to by the named insured.
3. The naming of an additional insured will not increase our limit of liability.

**SCHEDULE**

**Name of Person or Organization (Additional Insured)**

**Premium**

Interim Site Solutions  
22 S. Greene St.  
Baltimore, MD 21201-1544

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective February 8, 2006 at 12:01 a.m. standard time, forms a part of

Policy #: AH-0000267

Issued to: Cirrus Medical Staffing, LLC

By: UNITED NATIONAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**ADDITIONAL INSURED - ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED (SECTION II) is amended to include the person or organization shown in the Schedule below, but only as respects liability imposed or sought to be imposed on such additional insured because of an alleged act or omission of the named insured.

1. If liability for injury or damage is imposed or sought to be imposed on the additional insured because of:
  - a. Its own acts or omissions, this insurance does not apply;
  - b. Its acts or omissions and those of the named insured, as to defense of the additional insured, this insurance will act as coinsurance with any other insurance available to the additional insured, in proportion to the limits of liability of all involved policies, and the Other Insurance provisions of this policy (SECTION IV - CONDITIONS) are amended accordingly. However, this insurance does not apply to indemnity of the additional insured for its own acts or omissions.
2. If an agreement between the named insured and the additional insured providing indemnity or contribution in favor of the additional insured exists or is alleged to exist, the extent and scope of coverage under this insurance for the additional insured will be no greater than the extent and scope of indemnification of the additional insured which was agreed to by the named insured.
3. The naming of an additional insured will not increase our limit of liability.

**SCHEDULE**

Name of Person or Organization (Additional Insured)

Premium

Interim Site Solutions

\$

22 S. Greene St.

Baltimore, MD 21201-1544

\_\_\_\_\_  
Countersignature

SL-12 (2/97)

UNIC0558

## SCHEDULE OF LOCATIONS

Location of Premises			
001	4651 Charlotte Pk Dr. Ste 400	Charlotte	NC 28217
002	6002 Berryhill Rd.	Milton	FL 32572
003	601 West Leota St.	North Platte	NE 74136
004	111 Colchester Ave.	Burlington	VT 05401
005	167 N. Main St.	Tuba City	AZ 86045
006	2970 Charte St.	LaSalle	IL 61301
007	6161 South Yale Ave.	Tulsa	OK 74136
008	2827 Fort Missoula Rd.	Missoula	MT 59804
009	1101 Village Rd. UL1C	Carbondale	CO 81623
010	455 St. Michaels Dr.	Sante Fe	NM 87504
011	1325 Spring St.	Greenwood	SC 29646
012	1970 Blvd.	Salem	VA 24153
013	105 S. Huntington Ave.	Boston	MA 02130
014	USPHS Indian Hospital, Hwy 18	Pine Ridge	SD 57770
015	10 Buzell Ave.	Exeter	NH 03833
016	360 Amsden Ave.	Versailles	KY 40383
017	300 Bryn St.	Cambridge	MD 21613
018	Rt. 3, Box 149	Carrollton	MS 38917
019	100 Hospital Way	Ketchum	ID
020	64 Robbins St.	Waterbury	CT 06721
021	110 Irving St. NW	Washington	DC 20010
022	417 W. Third Ave.	Albany	GA 31702
023	1301 N. Second St.	Atchinson	KS 66002
024	6245 Inster Rd.	Garden City	MI 48135
025	308 Willow Ave.	Hoboken	NJ 07030
026	1034 N. 500 West	Provo	UT 84604
027	1111 Sixth Ave.	Des Moines	IA 50314
028	6150 Oakland Ave.	St. Louis	MO 63139

**SCHEDULE OF LOCATIONS****Location of Premises**

029	501 E. Main St.	Waynesboro	PA 17268
030	137 Blount Ave. SE	Knoxville	TN 37920
031	7100 Oakmont Blvd.	Fort Worth	TX 76132
032	1 Hospital Dr.	Massena	NY 13662
033	118 West 6th St. Ste. 10	Glenwood Springs	CO 81601
034	200 Tyler St.	West Memphis	AR 72301
035	2865 Daggett St.	Klamath Falls	OR 97601
036	333 Pine Ridge Blvd.	Wausau	WI 54401
037	149 Academy St.	Presque Isle	ME
038	710 E. 24th St.	Minneapolis	MN 55404



(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

**This endorsement, effective on January 27, 2006 at 12:01 A.M. standard time, forms a part of**

**Policy No.: AH-0000267**

**Issued To: Cirrus Medical Staffing, LLC**

**By: UNITED NATIONAL INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NAMED INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART

GENERAL LIABILITY COVERAGE PART

The Named Insured shown in the Declarations is completed to read as follows:

Cirrus Allied Health, LLC

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

POLICY NO.: AH-0000267

EFFECTIVE DATE: January 27, 2006  
12:01 A.M., Standard Time

LIMITS OF INSURANCE						
General Aggregate Limit (Other Than Products-Completed Operations)	\$	5,000,000				
Products-Completed Operations Aggregate Limit	\$	3,000,000				
Personal and Advertising Injury Limit	\$	3,000,000				
Each Occurrence Limit	\$	3,000,000				
Fire Damage Limit	\$	100,000			ANY ONE FIRE	
Medical Expense Limit	\$	5,000			ANY ONE PERSON	
RETROACTIVE DATE (CG 00 02 ONLY)						
Coverage A of this insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here:						
NONE						
(Enter Date or "None" if no Retroactive Date applies)						
FORM OF BUSINESS						
<input type="checkbox"/> Individual	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Organization (other than Partnership or Joint Venture)			
LOCATION OF PREMISES						
Location of All Premises You Own, Rent or Occupy:						
Loc # 001 See form SPA108						
PREMIUM						
Loc #	Classification	Code No.	Premium Basis	Rate Pr/Co All Other		Advance Premium Pr/Co All Other
001	Temporary Staffing	43200				18986
001	Certified Acts of Terrorism					949
Total Advance Premium						\$19,935.00
FORMS AND ENDORSEMENTS						
SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100						

COMMERCIAL GENERAL LIABILITY  
CG 00 01 10 01**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

**SECTION I - COVERAGES****COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**2. Exclusions**

This insurance does not apply to:

**a. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the insured.

ily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:

- (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any con-

tractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced be-

cause "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:



- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance ; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

**2. Exclusions**

This insurance does not apply to:

**a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

**b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

**c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

**d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

**e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

**g. Quality Or Performance Of Goods - Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

**h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COVERAGE C MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.



**e. Athletics Activities**

To a person injured while taking part in athletics.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**h. War**

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B****1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:**

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

**2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:**

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

**e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and****f. The indemnitee:****(1) Agrees in writing to:**

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

**(2) Provides us with written authorization to:**

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when: